

# House File 75

HOUSE FILE \_\_\_\_\_  
BY JOCHUM

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the sales and use taxes on the operation of  
2 bingo games.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1671HH 82  
5 mg/gg/14

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1 1 Section 1. Section 423.2, subsection 4, unnumbered  
1 2 paragraph 2, Code 2007, is amended to read as follows:  
1 3 The tax imposed under this subsection covers the total  
1 4 amount from the operation of games of skill, games of chance,  
1 5 ~~and raffles, and bingo games~~ as defined in chapter 99B, and  
1 6 musical devices, weighing machines, shooting galleries,  
1 7 billiard and pool tables, bowling alleys, pinball machines,  
1 8 slot-operated devices selling merchandise not subject to the  
1 9 general sales taxes, the total amount less amounts awarded as  
1 10 prizes from the operation of bingo games as defined in chapter  
1 11 99B, and on the total amount from devices or systems where  
1 12 prizes are in any manner awarded to patrons and upon the  
1 13 receipts from fees charged for participation in any game or  
1 14 other form of amusement, and generally upon the sales price  
1 15 from any source of amusement operated for profit, not  
1 16 specified in this section, and upon the sales price from which  
1 17 tax is not collected for tickets or admission, but tax shall  
1 18 not be imposed upon any activity exempt from sales tax under  
1 19 section 423.3, subsection 78. Every person receiving any  
1 20 sales price from the sources described in this section is  
1 21 subject to all provisions of this subchapter relating to  
1 22 retail sales tax and other provisions of this chapter as  
1 23 applicable.  
1 24 Sec. 2. Section 423B.5, unnumbered paragraph 1, Code 2007,  
1 25 is amended to read as follows:  
1 26 A local sales and services tax at the rate of not more than  
1 27 one percent may be imposed by a county on the sales price  
1 28 taxed by the state under chapter 423, subchapter II. A local  
1 29 sales and services tax shall be imposed on the same basis as  
1 30 the state sales and services tax or in the case of the use of  
1 31 natural gas, natural gas service, electricity, or electric  
1 32 service on the same basis as the state use tax and shall not  
1 33 be imposed on the sale of any property or on any service not  
1 34 taxed by the state, except the tax shall not be imposed on the  
1 35 sales price from the sale of motor fuel or special fuel as  
2 1 defined in chapter 452A which is consumed for highway use or  
2 2 in watercraft or aircraft if the fuel tax is paid on the  
2 3 transaction and a refund has not or will not be allowed, on  
2 4 the sales price from the sale of equipment by the state  
2 5 department of transportation, on the total amount derived from  
2 6 the operation of bingo games as defined in chapter 99B, or on  
2 7 the sales price from the sale or use of natural gas, natural  
2 8 gas service, electricity, or electric service in a city or  
2 9 county where the sales price from the sale of natural gas or  
2 10 electric energy is subject to a franchise fee or user fee  
2 11 during the period the franchise or user fee is imposed. A  
2 12 local sales and services tax is applicable to transactions  
2 13 within those incorporated and unincorporated areas of the  
2 14 county where it is imposed and shall be collected by all  
2 15 persons required to collect state sales taxes. All cities  
2 16 contiguous to each other shall be treated as part of one  
2 17 incorporated area and the tax would be imposed in each of  
2 18 those contiguous cities only if the majority of those voting  
2 19 in the total area covered by the contiguous cities favors its  
2 20 imposition. In the case of a local sales and services tax

2 21 submitted to the registered voters of two or more contiguous  
2 22 counties as provided in section 423B.1, subsection 4,  
2 23 paragraph "c", all cities contiguous to each other shall be  
2 24 treated as part of one incorporated area, even if the  
2 25 corporate boundaries of one or more of the cities include  
2 26 areas of more than one county, and the tax shall be imposed in  
2 27 each of those contiguous cities only if a majority of those  
2 28 voting on the tax in the total area covered by the contiguous  
2 29 cities favored its imposition.

2 30 Sec. 3. Section 423E.3, subsection 2, Code 2007, is  
2 31 amended to read as follows:

2 32 2. The tax shall be imposed on the same basis as the state  
2 33 sales and services tax or in the case of the use of natural  
2 34 gas, natural gas service, electricity, or electric service on  
2 35 the same basis as the state use tax and shall not be imposed  
3 1 on the sale of any property or on any service not taxed by the  
3 2 state, except the tax shall not be imposed on the sales price  
3 3 from the sale of motor fuel or special fuel as defined in  
3 4 chapter 452A which is consumed for highway use or in  
3 5 watercraft or aircraft if the fuel tax is paid on the  
3 6 transaction and a refund has not or will not be allowed, on  
3 7 the sales price from the sale of equipment by the state  
3 8 department of transportation, on the total amount derived from  
3 9 the operation of bingo games as defined in 99B, or on the  
3 10 sales price from the sale or use of natural gas, natural gas  
3 11 service, electricity, or electric service in a city or county  
3 12 where the sales price from the sale of natural gas or electric  
3 13 energy is subject to a franchise fee or user fee during the  
3 14 period the franchise or user fee is imposed.

3 15 EXPLANATION

3 16 Under current law, the state sales and use tax is imposed  
3 17 on the gross amount derived from the operation of bingo games.  
3 18 This bill imposes the tax only on the gross amount less the  
3 19 amounts awarded as prizes. In addition, the bill exempts the  
3 20 total amount derived from bingo games from the local option  
3 21 city and county sales tax and the local option county school  
3 22 infrastructure sales tax.

3 23 LSB 1671HH 82

3 24 mg:rj/gg/14